



Local Pension Board

26 April 2022

Title	Administration Performance Report
Report of	Executive Director of Resources (S151 Officer)
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – West Yorkshire Pension Fund (WYPF) Monthly Report (for February 2022) Appendix B - Percentage of My Portal registrations per employer
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Summary	
This paper provides the Local Pension Board with the West Yorkshire Pension Fund pensions administration performance report for February 2022, along with an update on the completion of the 2021 Annual Benefit Statements and administration.	

Officers Recommendations

The Local Pension Board are requested to note West Yorkshire Pension Fund's performance levels along with the updates on the 2021 Annual Benefit Statements, administration issues and a Finance update..

1. WHY THIS REPORT IS NEEDED

- 1.1 The efficient delivery of benefits is reliant upon effective administrative procedures being in place. It is important that this information is reviewed by the Board.
- 1.2 The report in Appendix A provides an overview of performance of the operational pensions administration service delivered by West Yorkshire Pension Fund (WYPF) up to 28 February 2022.

WYPF Performance

- 1.3 The February monthly report shows that WYPF processed **1,981** cases in February 2021 with nearly **94%** of cases being completed within the agreed Service Level Agreement (SLA).
- 1.4 WYPF work in progress levels remain high. As at the end of February, there were still over **2,100** outstanding items of work.
- 1.5 WYPF have recruited and are still recruiting additional staff to process the outstanding work.
- 1.6 Different work types have different target completion periods and different SLAs, usually depending on the nature/priority of the item of work. These are shown in Section 1 in appendix A.
- 1.7 For most work types, the SLAs have been met. The processes that failed to meet the SLA in February are:
 - **Updating of Death Grant Nomination Forms** – WYPF have advised that updating the members records takes a lower priority than other tasks but have provided assurance that, in the event of a death, the Nomination Form will be updated on their system.
 - **Processing Interfund Linking in Quotes and making payments to other Funds** – these can be complex cases and as more historic leavers are identified, the number of cases may increase. WYPF have recruited Senior Pension Officers who are able to do this work, which will mean these cases are processed quicker, but in the short term the SLA's will be lower, whilst the backlog is cleared.
 - **Monthly Postings** – hopefully, this is a temporary situation, due to the WYPF Finance Team staff being on annual leave and absent.
- 1.8 The LBB Pensions Team (“Pensions Team”) continue to monitor the number of cases completed and processed within their SLA to ensure these remain at acceptable levels. For any processes that fail to meet the SLA, these are

discussed at weekly meetings, and we will be looking closely at the processes above to ensure that improvements are made.

- 1.9 The number of complaints and Internal Dispute Resolution Procedure (IDRP) cases received by WYPF remains very low. There are currently two stage 1 IDRP cases and three stage 2 cases in progress

Automated/Manual Calculations

- 1.10 Most of calculations undertaken by WYPF are fully automated on their pensions administration system, UPM. However, an occasional case will require a manual calculation. This is usually because a member has an unusual benefit or a data issue that only affects a very small number of members. In such cases, WYPF have processes and controls in place to ensure that any manual calculations are reviewed and checked before figures are sent to members

- 1.11 The Pensions Team continue to monitor the number of automated/manual calculations undertaken by WYPF and a summary is shown below:

	March – May 21	June 21	July 21	Aug 21	Sept 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22
Percentage of automated calculations	98.82%	100%	100%	100%	98.6%	100%	100%	100%	100%	100%

Going forward, we will only update the Board if WYPF process any non-automated calculations.

WYPF member portal

- 1.12 The number of members who have registered for the WYPF “Member Portal” is increasing, but still slowly
- 1.16 The figures in the WYPF report equate to **29%** of all active members, **17.2%** of all deferred members and **15.6%** of all pensioners
- 1.17 The pensioners registering has increased as WYPF have written to most pensioners advising that their P60’s will be issued on the member portal and asking that they register. Pensioners can still receive their P60’s by post, if requested.
- 1.18 Members can opt out of electronic communication, if they choose to do so and as of 29 March, **790** members have chosen this option. This has increased as many pensioners have requested to continue to receive communications from WYPF by post.

- 1.19 The Pensions Team will continue to encourage employers to get their members to register and appeal directly to members themselves, to increase the number of registrations.

We are working with WYPF on ways to get more members engagement. Annual Benefit Statements will again be uploaded onto the member portal this year.

- 1.20 Appendix B sets out the number of registrations for active members per employer as of 29 March 2022.
- 1.21 The facility on the portal that will allow members to run their own retirement estimates is in the final stages of being tested. WYPF will shortly be providing an update on when this facility will be available.

Prudential

- 1.22 WYPF have reported that the service from Prudential has improved recently, although it is still not quite at the level expected. There is still a delay in Prudential providing AVC annual benefit statements for 2021. As a result, Prudential reported itself to The Pension Regulator.
- 1.23 The Pensions Team have commenced a review of AVC providers to the Fund and have met with the Hymans Robertson's team that specialises in reviewing the AVC market. We are waiting for further information from Hymans.

Annual Benefit Statements (ABS)

- 1.24 Annual Benefit Statements (ABS) as of March 2021 have been produced for most active and deferred members.
- 1.25 As of 31 March, the figures are **98.4%** and **99.6%** respectively. Whilst WYPF continue to work on obtaining the required information from employers for active members (there are currently 54 active members who have not received a statement), no further 2021 statements will be issued.
- 1.26 If the information is subsequently received for these members, WYPF will update their records and members can request details of their pension and death benefits be sent to them. The Pensions Team are chasing employers for the outstanding information and will be threatening and issuing fines, where this is not forthcoming.
- 1.27 Work is commencing on the production of the 2022 statements. WYPF have run several training sessions for employers advising them of the information they require and the ABS processes. Deferred statements should start to be issued in May and active statements shortly afterwards.

Finance Update

- 1.28 Between April and February 2021, the Fund has received **£58.5m** of contribution payments into the funds bank account.
- 1.29 The monthly contribution returns received from employers for the same period only total £57.7m, meaning that **£0.8m** of the contributions received relate to employers have not submitted returns but not paid, or have sent in returns which do not reconcile to the amounts received. This is mainly due to £0.5m of payments made in February not having corresponding returns submitted by employers.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Not applicable in the context of this report.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable in the context of this report.

4. POST DECISION IMPLEMENTATION

- 4.1 Not applicable in the context of this report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 Not applicable in the context of this report.

5.3 Social Value

- 5.3.1 Not applicable in the context of this report.

5.4 Legal and Constitutional References

- 5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government (Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist

the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.4.2 Under the terms of reference for the Local Pension Board, the role of the Board is to assist with:

- compliance with LGPS Government regulations;
- compliance with the requirements imposed by the Pensions Regulator.
- such other matters as the LGPS regulations may specify ensure the effective and efficient governance and administration
- ensure the Pension Fund's strategy and policy documents are maintained in accordance with the LGPS Regulations.
- ensure the Pension Fund's internal Risk Register is reviewed at least annually.
- review the Pension Fund's performance in complying with the requirements of the LGPS Regulations

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation, marriage and civil partnership.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Where relevant, consultation and engagement is discussed in the paper.

5.9 **Insight**

5.9.1 Not applicable in the context of this report.

6. ENVIRONMENTAL IMPACT

6.1 None

7. BACKGROUND PAPERS

7.1 None